



J. TYLER McCAULEY  
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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February 11, 2005

TO: Supervisor Gloria Molina, Chair  
Supervisor Yvonne B. Burke  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley  
Auditor-Controller 

SUBJECT: **DHS PROPOSITION A CONTRACT EXTENSION FOR RESPIRATORY  
THERAPY SERVICES AT LAC+USC MEDICAL CENTER  
FEBRUARY 15, 2005 AGENDA - ITEM 20**

Item 20 on your Board's Agenda for Tuesday, February 15, 2004 is a request from the Department of Health Services (DHS) to extend a Proposition A contract for respiratory therapy services at LAC+USC Medical Center Womens' and Childrens' Hospital. DHS' Board letter indicates that the extension is needed to allow the Department time to complete the RFP process, including validation of DHS' cost analysis by the Auditor-Controller.

As indicated in DHS' Board letter, the Department originally submitted a cost analysis to us last year. Our review of that cost analysis, which was based on the vendor's staffing plan, indicated that the contract was not cost effective. In January 2005, DHS submitted another cost analysis to us with a completely different staffing plan that increased the County's avoidable cost. At that time, we asked DHS for information to justify the revised staffing plan, so we could evaluate the reasonableness of the cost analysis. We understand that DHS is currently preparing the information we requested. Upon receipt of that information, we will work with DHS to complete our review of the cost analysis and inform your Board of the results.

Please call me if you have any questions or have your staff contact Jim Schneiderman at (626) 293-1103.

JTM:MMO:JS

c: David E. Janssen, Chief Administrative Officer  
Thomas L. Garthwaite, M.D., Director and Chief Medical Officer, DHS  
Violet-Varona Lukens  
Audit Committee  
Public Information Office